

## **Congresswoman Rosa DeLauro: History of Inverted Corporations**

### **July 9, 2002 – DeLauro Amendment to Restrict Corporate Expatriates from Receiving Federal Contracts**

This amendment prohibited the awarding of federal contracts to corporations that reincorporated in Barbados, Bermuda, British Virgin Islands, Cayman Islands, Commonwealth of the Bahamas, Cyprus, Gibraltar, Isle of Man, the Principality of Liechtenstein, the Principality of Monaco, and the Republic of the Seychelles. The amendment was approved 41 to 17.

### **March 18, 2003 – DeLauro, Neal and Doggett Legislation Closes Loophole for Corporate Expatriates**

DeLauro, Neal and Doggett today introduced legislation that would close the loopholes in the Homeland Security Act that allow corporate expatriates to land lucrative government contracts. The legislation would specify that the government cannot contract with US subsidiaries of these shell corporations; that the ban applies to companies who have already moved overseas, and narrows the waiver so that it applies only to instances of national security.

### **March 26, 2003 – DeLauro Applauds Senate Action on Corporate Expatriates**

DeLauro today applauded passage of an amendment in the Senate that closes the loophole that allows former US corporations, now relocated offshore in tax havens, to avoid US income tax.

### **April 1, 2003 – DeLauro Offers Corporate Expatriates Amendment in Appropriations Committee**

Congresswoman DeLauro offered an amendment, which was defeated, in the Appropriations Committee markup that would allow corporate expatriates to land lucrative government contracts and expand the ban on contracting with corporate expatriates to all federal agencies.

### **April 22, 2004 – Fairness for Working Americans Act of 2004 HR 4207**

Bill introduced in House that would amend the internal revenue code to, among other things, set forth rules for the tax treatment of certain foreign corporations engaging in tax avoidance activities in US domestic corporations. DeLauro sponsored the bill along with 58 cosponsors. The bill was referred to the House Committee on Ways and Means.

### **June 3, 2004 – DeLauro, Doggett, Slaughter, and Berry Write to Secretary Bridge**

Expressed strong concerns about Secretary Bridge's decision to award a \$10 billion contract to Accenture, a company incorporated in Bermuda in order to avoid US tax liability.

### **June 9, 2004 – DeLauro Passes Amendment to Penalize Corporate Expatriates, Stop Accenture Deal**

DeLauro successfully offered an amendment in the Homeland Security Appropriations markup that would close the loopholes in the Homeland Security Act that allow corporations to form "shell" corporations outside of the United States in order to avoid paying US taxes from receiving government contracts. The amendment passed the Committee by a vote of 35-16. This amendment reaffirmed the prohibition on DHS contracting to inverted corporations at the "50

percent threshold” – meaning companies that have reincorporated outside the U.S. with at least 50 percent of their shareholders remaining in the U.S.

**September 15, 2004 – DeLauro Offers Corporate Expatriate Amendment to Transportation-Treasury Appropriations**

DeLauro last night offered an amendment to the Transportation-Treasury Appropriations bill that would have denied new contracts to corporate expatriates. The amendment was similar to language offered by DeLauro to the Homeland Security Appropriations bill. The amendment failed in a near party-line vote 211-189.

**June 29, 2005 – DeLauro Offers Amendment to Ban Contracts with Corporate Expatriates in Transportation-Treasury Appropriations Bill**

During full consideration of the Fiscal Year 2006 Transportation-Treasury Appropriations bill today, Congresswoman DeLauro offered an amendment to ban the departments and agencies funded under the bill from contracting with corporate expatriate companies.

**June 30, 2005 – DeLauro Moves to Ban New Contracts with Corporate Expatriates Under Transportation-Treasury Appropriations**

DeLauro offered an amendment to ban the departments and agencies funded under the bill from contracting with corporate expatriates companies. The amendment would not affect existing contracts, only new contracts awarded by the agencies funded under past Transportation-Treasury appropriations.

**November 8, 2005 – DeLauro Announces Ban on New Contracts with Corporate Expatriates under Transportation-Treasury Approps Bill**

Companies that go offshore to pay fewer US taxes will not be able to obtain new contracts under the Fiscal Year 2006 Transportation-Treasury Approps bill. DeLauro worked with Senator Levin to have the amendment included by the Senate. The House already passed the bill and the Senate did as well.

**June 6, 2006 – DeLauro Amendment Bans New Contracts with Corporate Expatriates under Transportation-Treasury Approps Bill**

DeLauro offered an amendment to the Fiscal Year 2007 Transportation-Treasury Appropriations Bill that would continue the ban on new contracts with companies that go offshore to avoid US taxes.

**June 14, 2006 – DeLauro Continues to Press Ban on New Contracts with Corporate Expatriates**

DeLauro continued to press for a ban on contracts with corporate expatriates – companies that have incorporated on paper overseas in the tax haven countries of Bermuda, Barbados, the Cayman Islands, Antigua, Panama. The amendment will ensure that in the future, the country will favor good corporate citizens with government contracts. The amendment failed by vote on this date.

**May 3, 2007 – Stop Tax Haven Abuse Act H.R. 2136**

Bill introduced to 110<sup>th</sup> Congress, 2007-2009. The Bill died after being referred to a committee in a previous session of Congress.

**February 20, 2009 – Senator Levin, DeLauro, Doggett and Rep. Levin Urge the Administration to Address Tax Haven Abuse in Budget**

In a letter to Office of Management and Budget Director Peter Orszag, US Senator Levin and Reps. DeLauro, Doggett and Levin urged the Obama Administration to include measures from the Stop Tax Haven Abuse Act in its upcoming fiscal year 2010 budget proposal in order to prevent corporations from hiding their incomes offshore at the annual cost of approximately \$100 billion to the federal government.

**May 4, 2009 – DeLauro Praises Obama Administration's Efforts to Reform Tax Code**

DeLauro issued a statement praising Obama's Administration's announcement of efforts to reform tax code to curb the abuse of offshore tax shelters and eliminate tax incentives for shifting jobs overseas.

**2011 to 2014 – DeLauro Urges the Appropriations Subcommittee on Financial Services to strengthen the prohibition on federal contracts going to inverted corporations.**

DeLauro requested the prohibition typically included in the Financial Services bill be strengthened to the following:

None of the funds appropriated or otherwise made available by this or any other Act may be used for any Federal Government contract with any foreign incorporated entity which is treated as an inverted domestic corporation under section 835(b) of the Homeland Security Act of 2002 (6 U.S.C. 395(b)), except that 'more than 50 percent' shall be substituted for 'at least 80 percent' each place it appears therein, or any subsidiary of such an entity.

**April 15, 2011 – DeLauro: Heads of Corporations Not Paying Taxes Should Not Advise White House on Tax Reform**

DeLauro, along with 40 of her colleagues in the House of Representatives, sent a letter to President Obama asking him to not to seek advice on corporate tax reform from the heads of multinational corporations that pursue strategies to avoid US taxes.

**July 27, 2011 – Reps. Doggett, Levin, DeLauro Introduce Bill to Stop Abuse of Tax Havens**

Over 40 members of the House of Representatives led by Doggett, Levin and DeLauro, introduced the Stop Tax Haven Abuse Act which would curb abuses of the international tax laws that cost tax payers nearly \$100 billion a year. Senator Carl Levin (D-MI) recently introduced the same legislation in the Senate. The Act would authorize the Treasury Secretary to take special measures against foreign jurisdictions or financial institutions that impede US tax enforcement, close offshore tax loopholes, and increase penalties on tax shelter promoters.

**December 5, 2013 – DeLauro, Doggett Introduce Sequester Delay and Stop Tax Haven Abuse Act**

DeLauro and Doggett introduce the *Sequester Delay and Stop Tax Haven Abuse Act*. The bill would end the crippling, indiscriminate sequestration budget cuts to discretionary programs for

fiscal year 2014-2015 and reduce them for 2015. The Act is fully paid for by closing offshore corporate tax loopholes.

**May 20, 2014 – H.R. 4679: Stop Corporate Inversions Act of 2014**

A group of nearly a dozen House Democrats introduced legislation to tighten restrictions on corporate tax inversions, limiting the ability of American companies to avoid taxation

**June 10, 2014 – DeLauro and Doggett Ban on Government Contracts with Corporate Tax Dodgers Included in Transportation-Housing and Urban Development Bill**

DeLauro and Doggett successfully secured a ban on contracts with the Department of Transportation, and Housing and Urban Development from going to corporations but have been reincorporated in the tax havens of Bermuda or the Cayman Islands. They offered an amendment instituting this ban to the Fiscal Year 2014 Transportation-Housing and Urban Development Appropriations bill and it won approval by voice vote. The ban would only apply to fiscal year 2015.

**June 18, 2014 – DeLauro and Doggett Ban on Pentagon Contracts with Corporate Tax Dodgers, Included in DOD Funding Bill**

DeLauro and Doggett proposed a ban on Pentagon contracts with corporations that were incorporated in the US but have reincorporated in the tax havens of Bermuda and the Cayman Islands. The proposal was offered as an amendment to the 2015 Department of Defense funding bill and was accepted by voice vote. The ban would apply only to the fiscal year of 2015.

**July 10, 2014 – DeLauro-Doggett Amendment on Energy and Water Funding bill**

DeLauro and Doggett won the approval of a ban on contracts by the Department of Energy or Army Corps of Engineers with corporations that were incorporated in the US but have been reincorporated in the tax havens of Bermuda or the Cayman Islands. Proposal was offered as an amendment to the Fiscal Year 2015 Energy and Water Appropriations bill. Final vote was 221-200.

**July 14, 2014 – DeLauro-Doggett Amendment on Financial Services Funding Bill**

DeLauro and Doggett proposed a ban on all government contracts with corporations that were incorporated in the US but have reincorporated in the tax havens of Bermuda and the Cayman Islands. The proposal was offered as an amendment to the 2015 Financial Services funding bill and was accepted by voice vote. The ban would apply only to the fiscal year of 2015.